MAYOR CAROLINE SIMMONS CITY OF STAMFORD, CONNECTICUT



Tel: 203-977-4150

EMAIL: MAYORSOFFICE@STAMFORDCT.GOV

Tuesday, September 6, 2022

Dear Board of Representatives Members,

Thank you all for the time and attention you have given regarding the sale of the 35 Crescent Street property. Ahead of tonight's vote, I want to summarize again why I believe this project needs to be approved and address some of the recent developments that have occurred over the past week:

- 1. This vote is about affordable housing. As elected leaders in this City, we have an obligation to ensure that residents and those who work in our community have access to high-quality affordable housing. Just this weekend, both the *Stamford Advocate* and the *New York Times* published articles about the lack of affordable housing in our region (please see the attached articles). With this project, Stamford can distinguish itself as a leader on this issue and move forward toward addressing a pressing need in our community.
- **2. Petition:** The Mayor's Office is aware of a petition that was circulated among Glenbrook residents this past weekend urging neighbors to "Save the Center." We believe that you will be presented with these findings, however, I want to strongly caution that the information shared with residents presented a false choice, rather than the reality of the decision that is before you tonight. As we have discussed, it is not a feasible option for this site to become a community center for several reasons:
 - In 2018, 11 nonprofit organizations toured the Glenbrook Community Center to assess whether it was a suitable location for their services. All of these organizations deemed that this location was not financially practical for their operations; none of these organizations applied to the subsequent RFP that was issued and due in November 2018. Only one applicant applied to the RFP, and it was not deemed viable due to financial feasibility.
 - It will cost the buyer approximately \$23 million to complete the project, which includes the start to finish renovation and construction of the property. No other proposal has demonstrated the level of funding needed to revitalize this building.
 - I value the need for critical services, such as AA meetings, to be available in our community. My administration is committed to investing more resources to support substance abuse and, in fact, we plan to submit a request to the Boards for approval to use a portion of our ARPA funding to expand mental health and substance abuse services.
 - Due to the capital investment this property would require, including the ongoing operating costs, the leadership of the Board of Finance has confirmed to my office that they would not approve a plan to reestablish this site as a community center. The costs associated with this project are simply more than the Boards are willing to commit.
- **3. Amendments:** In response to feedback from Board members, the buyer has agreed and committed in writing to the following amendments to the purchase and sale agreement of 35 Crescent Street:
 - At the September 6th special Board of Finance meeting, the Board recommended the term and condition that any future owner, their successors and assigns, be prohibited from receiving a Low or Moderate-Income Housing Tax Abatement. If this proposal is approved by the Board of Representatives, this language will be incorporated into the deed of the property.

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- Language will be added as an addendum outlining the total amount of community space at the site.
- 4. **Community Spaces:** There has been a lot of discussion about the need for more community spaces and resources throughout our City, and I agree. My administration has been and will continue to invest in community spaces and constituent services for Stamford residents. Approval of this project will create a total of 4,300 square feet of community space. This space will be broken up into 3,000 square feet of public community space and 1,300 square feet of resident space will also be available for public use, if reserved in advance and not already in use for a resident activity. Utilities will be re-located to other areas of the building and not located in the community space. I look forward to your participation in stakeholder meetings with the community and the buyer on the type of services that would be in place at 35 Crescent Street.

Housing is a human right, and everyone deserves the dignity of having a roof over their head and the safety and security that comes with stable housing. I urge you to vote in favor of LR31.024, which will provide this opportunity to 51 individuals and families, who deserve the same chance as you and me to live and work in our wonderful City.

Sincerely,

Mayor Caroline Simmons

Crescent Housing Partners, LLC

C/o JHM Financial Group, LLC 1266 East Main Street, Suite 601 Stamford, Connecticut 06902 Telephone: (203) 348-2644

September 6, 2022

City of Stamford Attention: Mayor's Office Stamford Government Center 888 Washington Boulevard Stamford, CT 06901

Subject: Sale of 35 Crescent Street

Statement of Clarification

To Whom It May Concern,

Please note that Crescent Housing Partners, LLC, the proposed purchaser of 35 Crescent Street (aka the "former Glenbrook Community Center") has agreed to incorporate the following terms and conditions into the Cash Equivalency Consideration set forth in the Purchase and Sale Agreement.

Tax Abatement

At the September 6th special Board of Finance meeting, the Board recommended the term and condition that any future owner, their successors and assigns, be prohibited from receiving a Low or Moderate-Income Housing Tax Abatement.

Community Space Allocation

Crescent Housing Partners, LLC is committed to providing up to 4,300 gross square feet of community space as part of the redevelopment of 35 Crescent Street. This space will be broken up into 3,000 of public community space and 1,300 of resident space. The 1,300 square feet of the resident space will also be available for the public for a total of 4,300 square feet, if reserved in advance and if not already in use for a resident activity. Please accept this as Crescent Housing Partners, LLC pledge to provide the community with the greatest amount of community space when needed.

Crescent Housing Partners, LLC

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1st Floor 4,300 s/f Space Allocation

UTILITIES	Will be allocated in other areas of the building.
RESIDENTS AMMENITY	1,300
DAY CARE	TBD – up to 3,000
COMMUNITY	Up to 3,000 plus RESIDENTS AMMENITY IF NOT RESERVED FOR RESIDENT USE.

Fees for use of the community and daycare space

The community and daycare space will be provided free of charge and is not intended to be a source of revenue. The only requirements will be that those using the space be qualified, licensed, insured and financially stable to provide the programs and services they will be responsible for.

Community and daycare space programming

The Community and daycare space will be available free of charge. We will work together with the City, GNA and other stakeholders to identify the most appropriate uses for the space, including identifying those not-for-profit entities most capable of providing, managing, and maintaining those services in an appropriate and sustainable manner for the benefit of the overall community. This is not intended to be, nor will it become a source of revenue for the property.

Community and shared resident amenity space reservations

Community space will be reserved and coordinated through our management company, which will also be responsible for the property management and oversight of the residential apartments.

Space will be available on a first come, first serve basis. To reserve the space, the interested group/organization would reach out to the management company to determine if the space is available for use. If the space is available, the group/organization will receive a special access code to gain entry to the community space.

Crescent Housing Partners, LLC

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Daycare as one of the potential uses for the community space

Daycare is a proposed use, but it is important to demonstrate both the need and appropriate provider to operate the daycare facility including understanding occupancy and the program requirements for operating a licensed daycare facility. The daycare facility is not intended to be a source of revenue for the property. As the building is nearing completion CHP, LLC will solicit applications from providers to finalize program requirements.

Parking & Zoning Requirements The proposed plan will provide 75 on-site, surface parking spaces. The parking requirement per zoning is 53 spaces, so this proposal provides 40 percent more spaces than required.

Sincerely,

Todd D. McClutchy

Town After Town, Residents Are Fighting Affordable Housing in Connecticut

Local residents and elected officials are seeking to block large housing projects, warning that increased density could change the character of their towns.

By Lisa Prevost

Sept. 4, 2022

In the town of Fairfield, Conn., nearly 2,400 residents have signed a petition opposing a project proposed for downtown that could bring 19 units of affordable housing.

In nearby New Canaan, homeowners have raised about \$84,000 for a legal fund to fight a proposed apartment complex downtown on Weed Street that would include 31 rent-restricted units for households with moderate incomes.

And in Greenwich, a developer recently withdrew an application to build a project that would include 58 apartments priced below market rate, after residents living in nearby luxury condominiums objected and said the buildings that would be demolished were historically significant.

Throughout Fairfield County, Conn., local residents and elected officials are seeking to block large housing projects that include units affordable to low- and moderate-income households, warning that the increased density could change the character of their towns. The 32year-old law that enables such projects has always generated some pushback, but the opposition has grown more fierce as the number of proposals has increased in recent years.



In Greenwich, Conn., residents objected to plans to tear down some homes in a historic district, a challenge that threatened to turn into a lengthy legal battle. The developer withdrew an application to build the project. Jane Beiles for The New York Times

The fervent campaigns against housing applications reflect a battle that has engulfed the state, town by town. Last week, a group led by the Open Communities Alliance announced that it would file a civil rights lawsuit against the town of Woodbridge, saying that the town's zoning regulations, which sharply restrict multifamily housing, violated the state Fair Housing Act, state zoning laws and the state Constitution.

The restrictive zoning "disparately harms Black and Latino households, and deepens economic and racial segregation in the area," said Erin Boggs, the alliance's executive director, in a statement.

The suit will be closely watched by towns around Connecticut, especially in Fairfield County, a hotbed of backlash to the law known as Section 8-30g, which was intended to help reverse decades of housing discrimination and segregation, much of it accomplished through restrictive zoning. The statute allows developers to exceed local restrictions on density if they include units priced below market rate.

"Right now, it is the political hot button in Fairfield County," said Arnold Karp, the president of Karp Associates, the developer of the proposed Weed Street complex in New Canaan.

Developers have a special right of appeal if a town rejects a proposal in which at least 30 percent of the units are made affordable to households earning 60 to 80 percent of state or area median income (whichever is less). For example, a two-person household earning roughly \$54,000 to \$72,000 annually would qualify in Fairfield.

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A town must justify a rejection by proving that it is necessary to protect public health, safety, wetlands or certain other matters.

Many more developers are taking advantage of the law because soaring rents have made it more economically feasible for them to cover the cost of complexes, even with nearly a third of apartments below market rate.

For example, Greenwich has received 11 housing applications citing the law in the last few years, after having received only seven in the preceding 30 years, said Katie DeLuca, the director of planning and zoning.

"We can build both market-rate and affordable housing with no government funds or tax incentives required. The density allows the math to work," said Peter Cabrera, the vice president of acquisitions and development for Eagle Ventures, the developer that pulled its application in Greenwich.

Some local Republicans are calling for the law to be repealed.

Fred Camillo, a first selectman in Greenwich and a Republican, argues that towns, not the state, should decide whether and where they want more housing. "These applications have the very real potential to change the look and feel of our town," he said. "It's a one-size-fits-all mandate coming down from Hartford."



Fred Camillo, a first selectman in Greenwich, says towns, not the state, should decide whether and where they want more housing. Jane Beiles for The New York Times

That sort of suburban antipathy to density has contributed to a severe housing shortage in Connecticut, especially at the low- to moderate-income range, said Kiley Gosselin, the executive director of the Partnership for Strong Communities, an affordable housing advocacy organization.

"In Connecticut there's always been a sense that, we want to keep our towns looking a certain way and avoid most types of density," she said. "That's resulted in large house lot sizes and less and less multifamily housing starts."

In New Canaan, where residents have raised money for a legal fund to fight the apartment building proposal, signs reading "Save Weed Street" are displayed on the front lawns of multimillion-dollar homes. "If they destroy Weed Street, they could come for your neighborhood next. Every Soviet-era housing project that they erect gives them the money and influence to build the next one, and the one after that and the one after that, until there is nothing left of the town you once knew," warned a flier circulated by Chris DeMuth Jr., a resident.

But many people who work in the towns cannot afford to live in them, said Mr. Karp, the developer.



"There is a vitriolic reaction when New Canaanites hear the term 'affordable housing,'" said Arnold Karp, a developer, who used to live in New Canaan and still maintains an office there. Jane Beiles for The New York Times

"I already have a list of 20-plus people who work in town who would love to live here in a building that they could afford," he said. "My view is, people who work in town deserve to be able to live in town."

Mr. Karp has a second 8-30g application pending in New Canaan as well. That one is a smaller, adaptive reuse of a historic building. He is preparing a third.

His push for high-density, lower-cost development makes him unpopular in a town predominantly zoned for single-family homes on large lots.

"There is a vitriolic reaction when New Canaanites hear the term 'affordable housing,'" said Mr. Karp, who used to live in town and still maintains an office there. "I have told other developers: 'You have to have the stomach for this. Because you will walk out of meetings where you will hear, you are ruining the town.'"

Communities in which at least 10 percent of residences meet the state's definition of affordable are exempt from the statute. Currently, 31 of the state's 169 municipalities meet that threshold. Towns may also obtain four-year moratoriums from the law, if they can show progress toward generating more affordable housing, as calculated by a point system.

Both Fairfield and New Canaan have gained enough affordable units in recent years that they are close to obtaining the temporary reprieve. That achievement is likely contributing to the increase in applications, as developers try to beat the cutoff, said Mark Barnhart, the director of the Office of Community and Economic Development in Fairfield.

In Greenwich, the 192-unit apartment building that Eagle Ventures proposed would include 58 below-market-rate units that would rent from around \$1,100 for a one-bedroom to \$2,200 for a three-bedroom, depending on income level, Mr. Cabrera said.

It was to be built on a downtown site cobbled together from 11 properties, including several late-19th-century homes that have been carved into apartments, four small single-family rentals, a couple of small commercial buildings and a restaurant.

But opponents pointed out that the crumbling structures were part of the historic Fourth Ward, an area that became home to Irish immigrants. The name "Fourth Ward" comes from the neighborhood in Lower Manhattan of the same name that drew working-class Irish immigrants in the late 1800s and early 1900s.

The Fourth Ward in Greenwich is listed on the National Register of Historic Places for having developed between 1836 and 1929 "as the most visible moderate-income neighborhood in a town otherwise characterized by affluence of national renown."

The area is not formally protected as a local historic district. The moderate-income aspect has long since faded away: Homes recently listed for sale online in the Fourth Ward ranged from \$1 million to \$2.2 million. Rents averaged around \$4,000 over the last five years, according to multiple listing service data.



Residents of a luxury condo complex, Town and Country, in Greenwich want to prevent the "unreasonable destruction" of historic structures on the National Register of Historic Places. Jane Beiles for The New York Times

Residents of the luxury condo complex Town and Country started the process of challenging the development under the state's Environmental Protection Act, which, unusually, authorizes the state attorney general or anybody else to sue to prevent the "unreasonable destruction" of historic structures on the National Register.

"Multifamily housing can be developed elsewhere in town; historic structures and landmarks, however, cannot simply be rebuilt," Mario Coppola, a lawyer for the condo owners, said in a letter to the planning and zoning commission.

Mr. Cabrera described the objection — a formal challenge that threatened to stretch into a lengthy legal battle — as disingenuous. The buildings that had been slated for demolition are not of high quality and are on the outskirts of the Fourth Ward, he said. At least 18 other structures in the area have been demolished in the district to make way for luxury homes or condominiums without major public outcry, he added.

But faced with the prospect of litigation, Eagle Ventures withdrew its application last month. Mr. Cabrera said he was considering what to do next.

Matthew Skaarup, chief executive officer of the local YMCA, wrote a letter in support of the project, saying it "has incredible potential to provide much needed housing for those who are standing fixtures in our community, but are precluded from living here due to a near absence of available market-rate rentals and a severe lack of affordable housing."

The Reverend Felix-Gerard Delatour, pastor of the Little Bethel African Methodist Episcopal Church, the town's first African American church, also wrote a letter, calling for "a higher standard of compassion and understanding" around the housing needs "of those having average salaries."

Nick Abbott, a Greenwich native and Harvard Law student who has worked with groups promoting more inclusive zoning policies, said he didn't buy the arguments for historic preservation in this case.

"The very reason that this neighborhood achieved a historic designation was meant to honor that this was historically home to a racially and economically mixed population," he said. "The way to honor that history would be to build mixed-income housing, rather than preserving in amber housing that is no longer affordable to people."

Affordability is a major deterrent to the many teachers in Greenwich who would like to live in town, said Aaron Hull, a longtime educator in town. Mr. Hull, who lives in Norwalk, said he and his wife had periodically contemplated moving their family to Greenwich, which he views as a "phenomenal community," but couldn't find anything within their price range.

His daily commute on Interstate 95, while only 14 miles, "can take anywhere from 45 to 90 minutes," he said. "That seat time takes its toll." For weekly email updates on residential real estate news, sign up here.



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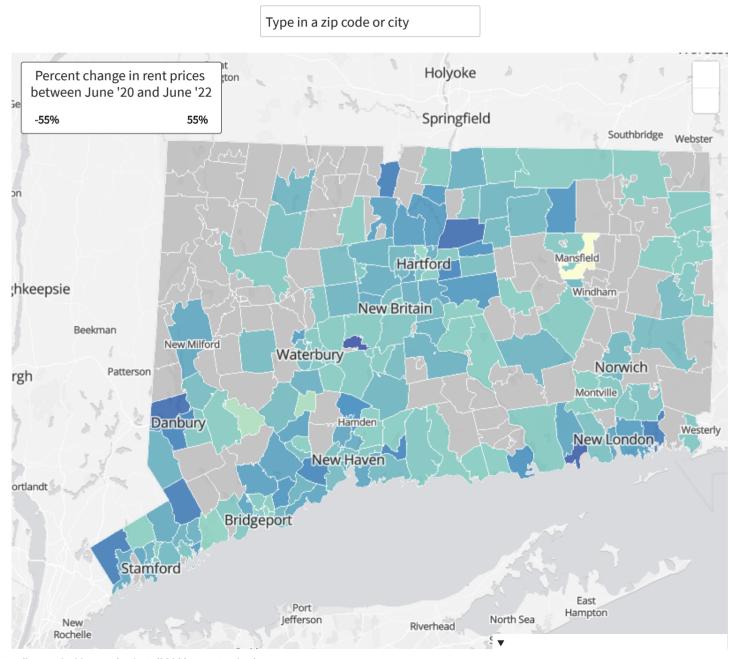






How the cost of rent changed in Connecticut during the COVID-19 pandemic

Using data from CoStar, we tracked how rental prices in Connecticut have changed from town to town amid the coronavirus pandemic.



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By TAYLOR JOHNSTON and DANIEL FIGUEROA IV Aug. 31, 2022 | Updated: Sept. 1, 2022 11:09 a.m.

Source: Costar and U.S. Census Bureau, 2016-2020 American Community Survey

Across Connecticut, the cost of renting an apartment has spiked over the past two years as an already-tight housing market was squeezed further by fallout from the pandemic.

But the rise in rent prices has not been equal across the state. Some communities have seen a far greater surge than others.

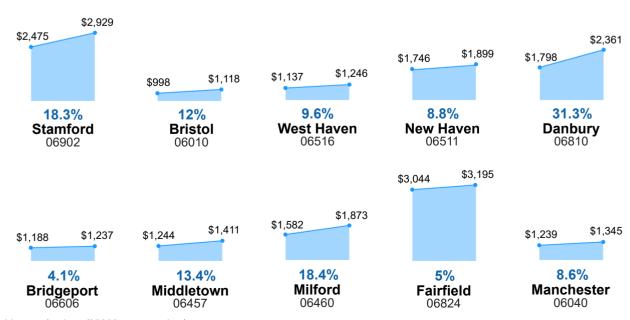
Hearst Connecticut Media Group analyzed rent price data for ZIP codes across the state to examine which were affected the most.

For example, ZIP code 06479, located in the southern part of the town of Southington, saw the average price of a rental unit soar by almost 50 percent from \$936 at the end of June 2020 to \$1,402 by the end of June 2022, according to data from CoStar, a real estate information and analytics company.

Elsewhere in the state, ZIP codes in East Lyme, Danbury and South Windsor have seen rent prices increase by more than 40 percent.

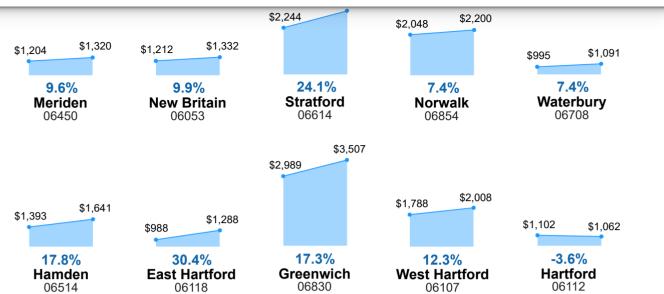
Statewide, many communities saw rents increase by double-digit percentages. Of the 157 ZIP codes analyzed, 74 saw rent prices jump by at least 10 percent, including 10 ZIP codes that saw rents spike by more than 30 percent.

Change in rent prices for select Connecticut ZIP codes in past two years



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Source: CoStar

What's behind the dramatic price spikes?

Broadly speaking, in Connecticut, and across much of the country, demand for housing shot up exponentially at the start of the pandemic, said Tammy Felenstein, president of the Connecticut Association of Realtors.

"We started to see the whole exodus of people fleeing urban areas and now having the ability to work remotely or to be closer to other family members or to have more space," she said.

Supply did not meet demand, a problem that worsened recently but dates back years.

"There's always been very little new supply in Connecticut," Jay Lybik, National Director of Multifamily Analytics at CoStar Group, said. "Because there was so little new construction, rental housing was always super tight. You'd see rental increases year over year that were pretty consistent."

At the local level, a variety of factors – including migrating New Yorkers and college students – have caused rents to skyrocket in certain cities and towns, according to local real estate experts.

For example, when the pandemic hit, many residents of New York City and its surrounding suburbs flocked to communities in Connecticut, particularly in Fairfield County, to get <u>more space and cheaper rents</u>.







as a real estate agent for Keller williams kealty, did not see the same influx of new renters, so rents did not increase as dramatically, she said.

Still, prices are up in most of the state, she said. "The inventory is very, very low right now," Corriveau said. "People are scrambling."

Elsewhere, demand from college students for off-campus housing has contributed to rising rent prices across the state, especially in areas around New Haven where some colleges are based, said Courtney McManus, a realtor for YellowBrick Real Estate, which has offices in Stamford and Milford.

"A lot of these colleges, their dorms used to have four kids to a room, three kids to a room. If not, at least two kids to a room," said McManus. "With a pandemic, obviously, people had to make some big changes. People weren't comfortable with their kid being in a tiny dorm with four kids in the dorm."

McManus said some colleges cut their on-campus student housing in half, or got rid of at least a third of it. Students started looking for rentals near campus, driving up demand and prompting landlords to increase prices.

Jennifer Widness, president of the Connecticut Conference of Independent Colleges, which represents 15 private colleges in the state, said this may be the case in isolated markets in the state already pressured by a hot housing market fueled by the pandemic.

But, Connecticut's reopening guidance for higher education did not require campuses to "de-densify," or reduce the capacity of, their dorms, Widness said.

"While some schools chose voluntarily to de-densify in the first year of the pandemic (the 20-21 school year) those that did took steps to either reduce the number of students allowed to return to campus each semester, found short-term off campus housing or had a number of students attend school remotely," she said in an email.

Widness said institutions represented by the conference have all returned to full capacity and very few have set aside significant housing for isolation space.

Felenstein said there are some signs that rising rent prices may be plateauing.

For example, she said she and other real estate agents she's spoken with have noticed larger buildings that had waiting lists a year ago now have some vacancies.

What's more, the once-red hot home selling market has cooled a bit, helping to free up more inventory overall and easing the strain on all types of housing, including









"So we are starting to see it loosen up again," she said.

Felenstein doubts that rent prices will go back to pre-pandemic levels. But, she doesn't see them continuing to escalate.

About the data

The data from CoStar includes "market rate" apartments in multifamily housing buildings with 5 or more units. It excludes condos, co-ops, affordable housing communities, and senior, student, military, corporate and vacation housing.

Data was not available for ZIP codes that lacked "market rate" apartments and some ZIPs were excluded based on low populations.

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This CT metro area has the third highest rent in the U.S., report shows



With rents soaring, CT officials could soon consider a cap on rental hikes

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